

## Message Text

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INFO OCT-01 EUR-12 ISO-00 EB-07 COME-00 LAB-04 SIL-01

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R 031353Z MAR 76 ZFF ABU DHABI

FM AMEMBASSY BONN

TO AMEMBASSY DAMASCUS

AMEMBASSY ABU DHABI

INFO SECSTATE WASHDC 6882

AMCONSUL FRANKFURT

AMEMBASSY PARIS

AMEMBASSY ROME

UNCLAS BONN 03513

FOR SECRETARY SIMON'S PARTY

DEPARTMENT PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, GW

SUBJECT: SECRETARY SIMON'S VISIT

1. SUMMARY. HANDELSBLATT (3/3) CARRIES STORY THAT THE SECRETARY WILL USE STOPOVERS IN EUROPE TO DISCUSS WITH HIS EUROPEAN COUNTERPARTS THE INTERVENTION POLICIES OF THE "SNAKE" CENTRAL BANKS. THE ARTICLE SINGLES OUT THE BANK OF FRANCE AS ATTRACTING PRINCIPAL TREASURY AND FRB IRE. END SUMMARY.

2. QUOTING EXTENSIVELY FROM GOVERNOR WALLICH'S FEBRUARY 19 ADDRESS ON EUROPEAN CENTRAL BANK INTERVENTION POLICIES AND THE FEBRUARY ISSUE OF MORGAN GUARANTY'S "WORLD FINANCIAL MARKETS" AND PARAPHRASING A "RESPONSIBLE MONETARY OFFICIAL" IN THE US TREASURY DEPARTMENT, THE MARCH 3 ISSUE OF THE HANDELSBLATT CARRIES AN INSIDE STORY THAT SECRETARY SIMON WILL UNCLASSIFIED

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DISCUSS INTERVENTION POLICIES WITH HIS EUROPEAN FELLOW FINANCE MINISTERS. THE ARTICLE STATES THAT WALLICH'S ADMONISHMENTS REGARDING THE USE OF THE DOLLAR AS THE PRIME INTERVENTION MEDIUM BY CERTAIN

SNAKE MEMBERS, ADMONITIONS WHICH THE ARTICLE SAYS ARE FULLY SUPPORTED BY THE TREASURY DEPARTMENT, HAVE AS THEIR BACKGROUND WASHINGTON'S FEELING THAT CURRENT INTERVENTION POLICIES STRAIN THE UNITY REACHED AT RAMBOUILLET. QUOTING THE ARTICLE, "IN THE US TREASURY AND ALSO IN THE FEDERAL RESERVE BOARD ONE SEES THE NECESSITY IN THE LIGHT OF THE MOST RECENT DOLLAR DEVELOPMENTS THAT AMERICA'S LEADING MONETARY PARTNERS, PARTICULARLY THE MEMBERS OF THE EUROPEAN COMMON FLOAT, SCRUTINIZE THE SIDE EFFECTS OF THEIR INTERVENTION POLICIES ON THE DOLLAR."

3. THE ARTICLE REITERATES GOVERNOR WALLICH'S STATEMENT THAT THE BANK OF FRANCE HAS ENGAGED IN AN "AGGRESSIVE INTERVENTION" POLICY WHICH ACTUALLY ACCELERATES A FALLING MARKET AND IMPLIES THAT IT IS TOWARD THE FRENCH THAT MOST OF THE TREASURY AND FRB CONCERN IS DIRECTED.  
HILLENBRAND

UNCLASSIFIED

<< END OF DOCUMENT >>

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**TAGS:** EFIN, OVIP, GE, SNAKE, (SIMON, WILLIAM P)  
**To:** DAMASCUS  
ABU DHABI  
MULTIPLE  
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